

Chairman Dingell, Committee on Energy and Commerce Hearing on "A Review of the Department of Health and Human Services Fiscal Year 2009 Budget"

Statement of Congressman John D. Dingell, Chairman
Committee on Energy and Commerce

COMMITTEE ON ENERGY AND COMMERCE HEARING ON "A REVIEW OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FISCAL YEAR 2009 BUDGET"
February 28, 2008

Today we are pleased to have Secretary Leavitt to discuss the President's Fiscal Year 2009 Budget for the Department of Health and Human Services.

This year's budget request proposes significant cuts in vital health coverage and public health programs that would actually hurt efforts to provide health insurance to our Nation's children. It would not provide enough funding to preserve coverage for the children currently enrolled in the State Children's Health Insurance Program (SCHIP). It would unwisely eliminate SCHIP coverage for children in families with incomes above \$44,000 a year, and it would restrict the ability of States to cover children in families with incomes above \$35,200.

Coupled with Medicaid cuts of nearly \$83 billion over the next 10 years, and an unauthorized regulatory assault on the Medicaid program, it appears that the mission in the waning days of this administration is to shred the health insurance safety net. We have heard from several Governors that these regulations are excessively burdensome for the States and for Medicaid beneficiaries.

This budget also proposes a reduction of \$576 billion over the next 10 years in Medicare program spending. That is an astonishing figure, but what is more astonishing is that it proposes drastic cuts to traditional Medicare providers such as doctors and hospitals, while protecting private HMOs. Private HMOs in Medicare will continue to receive excessive payments at the expense of beneficiaries, other providers, and taxpayers.

In order to protect special interests and advance its privatization agenda, the Bush Administration continues to ignore recommendations from outside experts that HMO payments be reduced. Under this budget, beneficiaries will lose their choice of doctor and hospital and be forced into HMOs. The vision in this budget, if it has one, is that traditional Medicare will, in the words of former Speaker Gingrich, "wither on the vine."

Beneficiaries would also take a direct hit from this budget. It would dramatically increase the number of beneficiaries paying a higher Part B premium, and it proposes tying Part D premiums to income.

Finally, the President's budget does nothing to address the pending 10 percent cuts to physician fees, a real failure of leadership. This decision, combined with the new cuts proposed for both Medicare and Medicaid, leaves little doubt that the Administration is dramatically unraveling our national commitment to provide health care to our most vulnerable citizens.

Unfortunately, public health priorities in the President's FY2009 budget fare little better. Under the Administration's

proposal, six of the eight Public Health Service Act agencies charged with protecting the Nation's health and well-being would receive critical cuts to their budget. As for the other two agencies, the National Institutes of Health (NIH) would receive flat funding and the Food and Drug Administration (FDA) increase is woefully inadequate.

I am particularly disappointed in the level of increase that the Administration has allocated for the FDA FY2009 budget. After the number of food and product recalls last year, many had hoped that the Administration would finally request the resources needed to ensure that the FDA could fulfill its mission to protect the public health. Unfortunately, that does not appear to be the case.

In fact, the Chair of the recent FDA Science Board subcommittee report testified before the Subcommittee on Oversight and Investigation that FDA's science base and resources had eroded so much that the Science Board concluded that "Americans lives are at risk."

Furthermore, the Administration budget proposes only flat funding for the NIH. This would further erode the Nation's premier biomedical research capacity, harming the health of Americans now and in the future. Because 80 percent of NIH's annual funding goes out through grant, contract, and training awards to extramural scientists throughout the country, it provides important investment in many economically troubled regions of the country, including my State of Michigan.

The Centers for Disease Control and Prevention (CDC), the premier public health disease prevention and control agency, is slated for a \$433 million cut. This would threaten our Nation's capability to prepare, detect, and control infectious diseases. It would also threaten our capacity to adequately conduct bioterrorism preparedness. Finally, it would threaten our capacity to provide vaccines to children. Unfortunately, CDC is one of six public health agencies for which the Administration has proposed budget cuts.

In closing, I would like to point out an inconsistency in the President's budget proposal. The President's budget would slash funding for many important health programs, and it would eliminate some altogether, such as the Prevention Block Grant and Health Professions programs.

As justification, President Bush states that the programs are "not based on evidence-based practices" and, in another case, that "evaluations have found these activities do not have a demonstrated impact." I am confused as to why the President does not apply these same standards to the "abstinence-only" programs, for which he has proposed another huge increase of \$28 million, despite the fact that study after study, including a 10-year study commissioned by the President's own Administration, has shown these programs to be ineffective at best, and in some cases actually counterproductive.

Mr. Secretary, we have many questions about the Administration's budget for Fiscal Year 2009. The Committee welcomes you as we look to the Administration to explain its justifications for many problematic proposals.

Prepared by the Committee on Energy and Commerce
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